

## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Fillmore Field Office

95 East 500 North

Fillmore, UT 84631

<http://www.blm.gov/ut/st/en/fo/fillmore.html>

*Incoming  
cc: Pebe  
1  
General Millard Co. correspondence*



**RECEIVED**

**JUL 11 2013**

**DIV. OF OIL, GAS & MINING**

IN REPLY REFER TO:  
3500 (UTW02000)  
UTU-88387 and others

July 1, 2013

CERTIFIED MAIL #7013 0600 0001 7756 3619  
RETURN RECEIPT REQUESTED

Mr. Rick Dye  
Peak Minerals Inc.  
2150 South 1300 East, Suite 350  
Salt Lake City, UT 84106

Dear Mr. Dye,

Your revised and expanded Mining Plan (Plan) to conduct mining operations for potash and other solid leasable minerals in Millard County, Utah was received May 20, 2013 by Fillmore Field Office. Appendices for the document, including critical information such as the Reclamation Plan, were received at Fillmore Field Office on May 28, 2013. Your proposed project is located on the Sevier Dry Lake, or playa, and vicinity southwest of Delta, Utah. The lead lease file for the Plan has been assigned Bureau of Land Management (BLM) case file number UTU-88387. This is the case file designation for lease Tract 1 near the southern end of the playa. Please refer to this number in any future correspondence concerning this operation.

As required under the surface management regulations at 43 CFR §3592.1(a), BLM has reviewed the Mining Plan to determine if it meets the content requirements at 43 CFR §3592.1 (b) through (e). Based on our review of the revised Mining Plan and appendices, the Mining Plan is partially complete and includes the required Plan basic sections. However, the Plan will require much more detailed and comprehensive technical specifications before complete approval of the Plan is possible. Until the Mining Plan is complete and the Environmental Impact Statement (EIS) process is concluded, no part of the operations specified in the partially complete Plan may be initiated. As stated in 43 CFR §3592.1, "No operations shall be conducted except as provided in an approved plan."

The following comments and observations are among the issues that should be considered in the Mining Plan prior to potential final approval of the project and completion of the EIS document:

1. Page 4-2, Section 4.3.4 in Transportation Plan – Road Construction Procedures: The statement is made that "Surfacing and base course materials would be obtained from existing gravel pits located on federal lands near the project area." "Mineral Materials", including sand and gravel, may be purchased from BLM lands under authority of CFR



§3600, but contracts must be signed for purchases from specific sites. The BLM has a designated Community Pit near the project area, but the suitability of the material for road construction may be questionable. Under CFR §3600, sand and gravel may not be removed for commercial purposes from a Free Use Permit authorized for purposes of local government, such as the site known to Millard County as "Purple Black Rock Pass", assigned BLM case file number UTU-72841\_01.

2. Page 4-2, Section 4.3.3 in Transportation Plan – New Road Construction Planning: This section ends with the statement, "When sensitive areas cannot be avoided, Peak Minerals would strive to employ practices to prevent, reduce, or mitigate all potential adverse effects caused by construction and use of the road." Statements of good intentions in this form are found throughout the Mining Plan and appendices. Although commendable in intent, these statements do not provide engineering details about how adverse effects will be prevented or reduced. The Mining Plan will ultimately need much more specific and detailed technical information about how these purposes will be achieved before consideration of potential approval is possible.
3. Page 3-2, Section 3.1.1 in Transportation Plan – Existing Roadway Network: Reference is made to Crystal Peak Road/Black Rock Road and Steamboat Pass Road as being "owned" and maintained by Millard County. Millard County provides maintenance for these roads, but they are not currently owned by the County. Millard County has a BLM Right of Way (ROW) on the Crystal Peak Road, UTU-58574, to near the location of the proposed processing plant at the south end of Sevier Playa. Millard County provides maintenance, but does not currently have a ROW, west of the processing plant spur road or along the Steamboat Pass road.

Please remove language from the Mining Plan referring to the unpaved roads around Sevier Playa as owned by Millard County. Please refer to the unpaved roads as "County-maintained roads", or as "unmaintained roads" in cases such as the two-track road along the east side of Sevier Lake. Please also discuss ROWs and maintenance agreement for these unpaved roads with both Millard County and the BLM. Plans of Development (PODs) will be needed for the roads to be improved or newly constructed under ROWs on BLM lands.

4. Page 3-3, Section 3.2.2 in Transportation Plan – Proposed Rail Improvements: A new rail spur will cross State Highway 257 at-grade, and the crossing and associated warning devices "will be designed and constructed to achieve compliance with Utah Department of Transportation (UDOT) standards." Technical details and engineering specifications for the crossing and safety measures will be needed in the Mining Plan prior to potential final approval.
5. Pages 9-5 and 9-6, Section 9.3.9 – Cultural Resources: All of the information on pages 9-5 and 9-6 titled, 9.3.9 Cultural Resources, should be deleted and replaced by the following simple statement:

"The proposed mine area and all ancillary facilities will be constructed in compliance with the Section 106 process described at 36 CFR 800.6."



As previously explained in Item 4 of the February 20 letter from BLM to Peak Minerals, it will be necessary to determine a new Area of Potential Effects (APE) for this Project, and references to the previous APE for the exploration plan are not applicable.

6. Pages 5-2 and 5-3 in Section 5.1.2.2 in Mining Plan – Excavation Trenches: There will be approximately 40 million cubic yards of material removed from extraction and recharge trenches beyond what will be used to make pond berms and other listed embankments. Where will the additional material be stored, and how will it be handled, prior to replacement in the excavations at the conclusion of operations?
7. Page 5-16 in Section 5.1.3.1 in Mining Plan – Pre-concentration Evaporation Ponds: Four pre-evaporation ponds are proposed, and the concentrated brine from Pond 4 will be pumped via a brine transfer station to the brine pipeline, and then the production ponds. If the pond floors “follow the natural topography of the playa”, how will the brine “overflow into the subsequent pre-concentration ponds” if the brine level is maintained at 12 inches in each of the ponds? This question has been discussed verbally in meetings, but it should also be explicitly answered in the written Mining Plan.
8. Figure 10, following Page 5-4 in Section 5.1.2 in Mining Plan – Mining: The trenches and wells exhibit unexplained asymmetries on this “Proposed Layout” map. It was stated verbally that these trench and well representations are conceptual and not intended to portray exact locations. This representation is satisfactory for a partially complete Plan, but exact locations will be required for a complete Mining Plan. Locational depictions of features, including trenches and wells, should be portrayed in a complete Plan with engineering-quality dimensions and specifications.
9. Page 9-1, Sections 9.1 and 9.2 in the Mining Plan – Environmental Factors: A Storm Water Pollution Prevention Plan will be needed prior to potential complete approval of the Mining Plan. A space is reserved for a Water Management Plan as Appendix H in the Mining Plan, but that appendix has not yet been submitted as of the date of this letter.
10. Page 9-2, Section 9.3.4 in the Mining Plan – Environmental Factors: A Spill Prevention, Control, and Countermeasure Plan (SPCC) will be required prior to potential complete approval of the Mining Plan. A space is reserved for this document as Appendix J in the Mining Plan, but that appendix has not yet been submitted as of the date of this letter.
11. Page 9-3, Sections 9.3.6 in the Mining Plan – Environmental Factors: A Wildlife Monitoring and Mitigation Plan will be required prior to potential complete approval of the Mining Plan. A space is reserved for this document as Appendix K in the Mining Plan, but that appendix has not yet been submitted as of the date of this letter.

On page 9-3, the statement is made that, “Potential impacts to wildlife will be analyzed in the Sevier Playa Project EIS.” To conduct these analyses, the BLM and the EIS third-party contractor will require data from a wildlife monitoring program. The survey requirements for various species have not yet been met in a monitoring program, nor has the scope and scale of the monitoring effort been determined through submission of a



Wildlife Monitoring and Mitigation Plan. These data will be necessary to initiate an EIS analysis process.

12. Please remove this statement from the Mining Plan:

“At the direction of the BLM, additional guidance derived from the federal regulations for surface management at 43 CFR Part 3809 Subpart 3809.401 has been used, as appropriate, to augment the requirements of 43 CFR Part 3590 even though, as stated at Subpart 3809.2(e), these regulations do not actually apply to leasable and salable minerals, including potassium.”

The requested information is authorized under 43 CFR 3592.1(c)(11). References to the sources of advisory guidelines are unnecessary.

13. Page 3-4, Section 3.2.2 in Reclamation Plan – Pre-Concentration Ponds: As described, the embankments of the pre-concentration ponds may have insufficient freeboard to retain the described minimum of 1 foot of brine during wind storms. The surface brine of Sevier “Lake” may be frequently observed during storms to be blown, or “piled up”, against one side of the lake. The pond embankments may need to be raised above three feet in height on the downwind or leeward side of the ponds, or another means for retention of the brine may need to be described.

14. Pages 32-33, Section 4.4 – Mining Sequence: The title of this section, ‘Purpose and Need’, is more appropriate for a National Environmental Policy Act (NEPA) document. We recommend a change to a different section title such as, ‘Objective of the Project.’

In a NEPA document such as an EA or EIS, the ‘Purpose and Need’ section will describe the BLM’s purpose and need for preparation of the document, rather than the proponent’s goals. In this instance, the BLM will seek to facilitate an EIS through which environmental impacts and mitigation are analyzed for a proposed beneficial use of public lands.

15. Page 3-2, Sections 3.7, 3.9, and 3.11 in Fugitive Dust Control Plan – Staging and Storage Areas: It is stated that vehicle mileage and speed will be “controlled” to limit dust generation. How will mileage and speed be “controlled”, and what verifiable actions will be taken to limit the dust generation?

More broadly, what methods will be used to limit dust generation on the various unpaved roads, County-maintained and otherwise, near Sevier Playa? Section 3.11 lists some possible methods, but does not specify applications to area roads. For example, along the Crystal Peak Road between Black Rock and the southern end of Sevier Lake, will dust be reduced by one or more of these methods?

In Section 3.9, the statement is made that, “The ponds will be stabilized in order to further reduce dust emissions.” In this context, what is the meaning of “stabilized”? How will the ponds be stabilized? Technical details are needed. Elsewhere in the document, reference is made to the coarsely crystalline quality of the salts. Is this the meaning of “stabilized” in this situation?



16. Details are still needed for many aspects of the off-lease facilities. Distinguish explicitly between on-lease and off-lease facilities because the off-lease facilities will require separate ROWs. SF-299 applications are required for all off-lease facilities.

Full engineering details of proposed structures and facilities will be needed with the required ROW applications for off-lease facilities. Refer to example PODs provided by the BLM to facilitate the ROW process. If the technical specifications cannot be provided with the Mining Plan, then a separate Plan of Development (POD) may be required for the off-lease features.

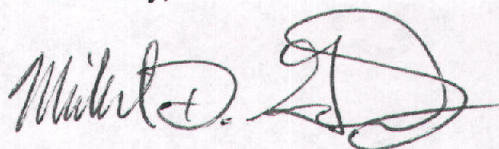
Please provide responses to the above clarification requests at your earliest convenience. Upon receipt of the required information, BLM will determine whether or not the Mining Plan may be advanced from "partially complete" to "complete" status. Complete Project information will facilitate the NEPA process and EIS preparation. It is expected that there will be some iterative changes to the Mining Plan as a result of the EIS preparation process. Therefore, final completion and potential approval may not occur until near the end of the EIS preparation.

Once the Plan is determined to be sufficiently complete, the BLM will initiate the process to begin the preparation of an Environmental Impact Statement (EIS) on the Mining Plan. A schedule for preparation and completion of the EIS will then be created in consultation with the participating organizations and agencies. Please note that there is a required 30 day public comment period on the completed Plan EIS before the BLM can issue a final decision on your Mining Plan.

Please note that, as specified in 43 CFR §3592.1 (11)(d)(1), "Approved exploration and mining plans may be modified at any time to adjust to changed conditions or to correct an oversight." Proposed modifications must be approved by the BLM.

If you have any questions regarding your Mining Plan and the clarifications requested by this letter, or would like to arrange a meeting to discuss changes, please contact Duane Bays, Natural Resource Specialist at Fillmore Field Office, at (435) 743-3115.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Gates", followed by a large, stylized circular flourish.

Michael D. Gates  
Field Manager

cc: Peter Brinton, UDOGM  
Deron Lawrence, CH2MHill